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## **News Release**

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### **Alexandria man pleads guilty to stealing more than \$400,000 from mortgage lenders**

A 29-year-old Alexandria man pleaded guilty yesterday in federal court to concealing more than \$400,000 in payments to himself and others from mortgage loan proceeds. Micah John Beaumia pleaded guilty to one count of wire fraud and one count of money laundering. He entered his plea in Minneapolis before United States District Court Judge James Rosenbaum. Beaumia was indicted on May 11, 2009.

In his plea agreement, Beaumia admitted devising a scheme concealing payments from mortgage loan proceeds by diverting them to himself and another buyer of real properties through the use of fraudulent underwriting and closing documentation. Beaumia executed this scheme from 2005 through 2006 through his involvement with LHS Mortgage, Inc., located in Burnsville and a second Minnesota mortgage company. Beaumia acted as a mortgage broker and caused fraudulent loan application documents to be provided to potential lenders. These applications falsely overstated the true purchase price of the properties, concealed payments from the loan proceeds to Beaumia and a relative, and, in some instances, misrepresented the identity of the mortgage broker. Based on the fraudulent documentation, the proposed loans totaling more than \$2.2 million were approved for 13 Minnesota properties.

After each loan was approved, the lender wire transferred funds to a Minnesota-based title company. For example, \$81,460.05 was wired on October 7, 2005, from New Century Mortgage Corp. to First Advantage Title. Beaumia then worked with a closing agent at First Advantage to conceal the payments.

That closing agent was Jill M. Lehn, 41, Prior Lake. She was sentenced to two years in prison in January 2008 on one count of wire fraud and one count of money laundering in connection with a mortgage loan pay-out scheme. According to Beaumia's plea agreement, Lehn also provided false settlement statements to conceal the scheme from lenders.

Beaumia's concealed payments included an \$18,000 check that on October 17, 2005, he endorsed over to Lucky's Garage as partial payment for a Wild West Dragon motorcycle.

Beaumia faces a potential maximum penalty of 20 years in prison on the wire fraud count and 10 years in prison on the money laundering count. Judge Rosenbaum will determine his sentence at a future date.

This case is the result of an investigation by the Internal Revenue Service-Criminal Investigation Division. It is being prosecuted by Assistant U.S. Attorney Tracy L. Perzel.